

A G E N D A

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
Regular Meeting
County Administration Conference Room
Montgomery County Government Center
September 2, 2008
7:00 P.M.

I. CALL TO ORDER

II. DETERMINATION OF QUORUM

III. PUBLIC ADDRESS SESSION

IV. CONSENT AGENDA

V. NEW BUSINESS

- A. Affirmation Resolution – Virginia Retirement System – Employee's Contribution
- B. Review of Revisions to PSA Water/Sewer Regulations

VI. FINANCIAL REPORT

VII. DIRECTOR'S REPORT

VIII. AUTHORITY MEMBERS' REPORT

IX. ADJOURNMENT

TO: PSA Board of Directors
FROM: Robert C. (Bob) Fronk, PSA Director
DATE: August 29, 2008

SUBJECT: **AGENDA REPORT - PSA REGULAR MEETING – SEPTEMBER 2, 2008**

I. CALL TO ORDER

The Chair will call this meeting to order.

II. DETERMINATION OF QUORUM

The Chair will determine if a quorum is present.

III. PUBLIC ADDRESS SESSION

The Chair will ask if there are any comments from the public. Each person will be allowed five minutes to address the Board.

IV. CONSENT AGENDA

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated September 2, 2008.

V. NEW BUSINESS

**A. SUBJECT: AFFIRMATION RESOLUTION TO PICK
UP THE EMPLOYEE'S CONTRIBUTION
TO VRS FOR MONTGOMERY COUNTY
PUBLIC SERVICE AUTHORITY**

**R08-09-1
AFFIRMATION OF AUTHORIZATION TO PICK
UP THE EMPLOYEE'S CONTRIBUTION TO
VRS FOR MONTGOMERY COUNTY
PUBLIC SERVICE AUTHORITY, 55160 UNDER § 414(h)
OF THE INTERNAL REVENUE CODE**

WHEREAS, Montgomery County Public Service Authority provides its employees with tax deferral pursuant to § 414(h) of the Internal Revenue Code with respect to their member contributions to the Virginia Retirement System (referred to as VRS) by picking up member contributions to VRS; and

WHEREAS, VRS keeps tract of such picked up member contributions, and treats such contributions as employee contributions for all purposes of VRS; and

WHEREAS, The Internal Revenue Service in Notice 2006-43 has provided transition relief for existing pick-up arrangements provided that an authorized person takes formal action to evidence the establishment of the pick-up arrangement no later than January 1, 2009; and

WHEREAS, In order to avail itself of the protection given under Notice 2006-43, the Montgomery County Public Service Authority Board of Directors desires to affirm its intention to establish and maintain a pick-up arrangement through formal action by its governing body.

NOW, THEREFORE, IT IS HEREBY RESOLVED, That the existing member contribution pick-up arrangement is hereby affirmed as it relates to salary reduction elections in effect prior to the date of this Resolution; and

BE IT FURTHER RESOLVED, That effective the first pay day on or after September 2, 2008, Montgomery County Public Service Authority shall pick-up member contributions of its employees to VRS, and such contributions shall be treated as employer contributions in determining tax treatment under the Internal Revenue Code of the United States; and

BE IT FURTHER RESOLVED, That such contributions, although designated as member contributions, are to be made by Montgomery County Public Service Authority in lieu of member contributions; and

BE IT FURTHER RESOLVED, That pick-up member contributions shall be paid from the same source funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, That member contributions made by Montgomery County Public Service Authority under the pick-up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick-up arrangement; and

BE IT FURTHER RESOLVED, That nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick-up contributions made by Montgomery County Public Service Authority directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, That notwithstanding any contractual or other provisions, the contributions of each member of VRS who is an employee of Montgomery County Public Service Authority shall be picked up either through a reduction in the current salary of such employee or as an offset against future salary increases of such employee or as a combination of both at the option of the employer by the Montgomery County Public Service Authority on behalf of such employee pursuant to the foregoing resolutions.

Adopted in Montgomery County, Virginia this ____ day of _____, 2008.

JUSTIFICATION:

This resolution is required by the Virginia Retirement System in response to IRS Revenue Ruling 2006-43, which gives governmental employers until January 1, 2009 to demonstrate "formal authorization" of their pick-up plans.

A pick-up plan allows the Virginia Retirement System member contributions of 5% to be treated on a pre-tax basis. Montgomery County Public Service Authority participates in this pick-up plan and must enact this formal authorization.

B. SUBJECT: REVIEW OF REVISIONS TO PSA WATER/SEWER REGULATIONS

At the PSA meeting of August 4, 2008, the PSA approved several rates and changes to the PSA regulations. The PSA regulations have been amended to reflect all these changes and they are being presented for review and discussion. See Item 2.

VI. FINANCIAL REPORT

The financial report for period ending August 31, 2008 will be presented for review and discussion.

VII. DIRECTOR'S REPORT

The Director's report will be presented at this time. See Item 3.

VIII. AUTHORITY MEMBERS' REPORT

1. Member Muffo
2. Member Creed
3. Member Perkins
4. Member Brown
5. Member Marrs
6. Member Biggs
7. Member Politis

IX. ADJOURNMENT

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for October 6, 2008.

CONSENT AGENDA
September 2, 2008

A. APPROVAL OF MINUTES

**1. SUBJECT: APPROVAL OF MINUTES DATED
AUGUST 4, 2008**

ISSUE/PURPOSE: The above listed minutes are before the
Board for approval. See Item 1.